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Case study

UK way ahead of U.S. on healthcare performance

The United Kingdom's citizens are healthier than those in the United States, it spends half as much money on healthcare than America does, and Great Britain now appears to have left its former pesky colony in the dust when it comes to pay for performance.

Of course, England has invested more than \$3 billion for healthcare improvement, and nearly all of its physicians have electronic medical records – if they don't they lose 25% of their salary.

In fact, the UK doesn't even use the term pay for performance, but quality and outcomes framework.

“Clearly there are differences,” **Martin Roland, DM**, director of the National Primary Care Research and Development Center in the UK, said in a phone interview. “You haven't got a lot of additional money, so it [pay-for-performance] will have to be introduced quite slowly. I don't necessarily think that's a bad thing, but I think you'll struggle without electronic medical records.”

Britain's version of pay for performance began in 2003 when the National Health Service introduced a contract to its physicians offering them a 25% financial bonus if they performed well on 146 quality indicators, including 76 clinical ones.

“When negotiations were going on, no one had any idea what was going to be on the table,” Roland said of financial incentives offered to doctors. “I thought they wanted to put as little as possible. But in fact, they wanted that bigger sum of money.”

The 76 clinical measures include:

- Coronary heart disease and heart failure (15)
- Stroke and transient ischaemic attack (10)
- Hypertension (5)
- Diabetes (18)
- Epilepsy (4)
- Hypothyroidism (2)

- Mental health (5)
- Asthma (7)
- Chronic obstructive pulmonary disease (8)
- Cancer (2)

In the first year alone, more than 80% of physicians received that 25% bonus for their performance on those measures. Only primary care doctors are taking part in the UK's pay-for-performance program.

Most physicians, however, had extra upfront expenses, such as hiring more nurses. Nurses are increasingly providing much of the care at clinics set up to treat chronic diseases, freeing up time for physicians to see other patients.

"What we have now is a contract which encourages physicians to look at diseases rather than just patients," Roland said at a World Health Congress conference on healthcare quality and pay-for-performance in Boston last month.

Financial incentives are important, Roland said, but making sure quality programs are in line with physician values is paramount.

"You can't substitute money for professional ethos," he said. "I think it's critically important that the incentives, the indicators, are aligned with professional values."

Doctors in the UK are certainly not universal in their support for pay for performance, but there's been hardly any disagreement about quality indicators Roland said.

"The things we're incentivizing doctors to do are by and large things they want to do, Roland said.

"If you're encouraging things doctors believe they should do anyway, you're more likely to be successful."